

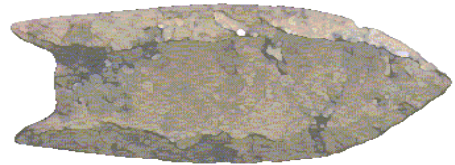
HISTORY

Rio Rancho is one of New Mexico's newest communities, incorporated as a City in 1981 with 10,131 residents. Although incorporated as a new community in 1981, the occupation of the site upon which present day Rio Rancho sits can be traced back to the *Ice Age*.

Prehistoric to Early Historic.....

It is commonly held that the Rio Grande Valley was inhabited approximately 10,000 to 12,000 years ago. The remains of a hunting campsite, located within the current City limits of Rio Rancho, reveal that the first indigenous residents lived in the Rio Rancho vicinity approximately 11,000 years ago. These early inhabitants were hunters and gatherers whose tools of the trade were arrowhead-like artifacts called "Folsom Points" named after the location where similar artifacts were first located in New Mexico in 1927.

Archaeologists have located numerous pit house settlements, evidence of early habitation along the banks of the Rio Grande. The sites, one of which is estimated to have been occupied for nearly four hundred years, have either been excavated for academic study or preserved in perpetuity for future generations as open space.



Spanish Period 1540 to 1821.....

The end of the prehistoric era is marked by the appearance of the first Spanish explorers into the area. Francisco Vázquez de Coronado led Spanish conquistadors to the Rio Rancho vicinity in the winter of 1540 in search of the fabled, "seven cities of gold," while conquering native peoples along the way.

An early twentieth century excavation of a large 1,000-room, Tiwa pueblo revealed that it was occupied by the Anasazi (a Navajo word meaning the "ancient ones") into the 16th century. The site included a temporary campsite associated with early Spanish expeditions into the middle Rio Grande region by Coronado.

Located just north of Rio Rancho, is the Coronado State monument consisting of the ruins of the Pueblo of Kuaua. The monument contains reproductions of original murals on the walls of a ceremonial kiva. The murals represent some of the most superb pre-European examples of mural art in North America.

Instead of the Seven Cities of Gold, Coronado's party found an agrarian society of more than 60,000 persons living in 12 to 16 inhabited pueblos along the Rio Grande between present-day Bernalillo and Isleta Pueblo.



"This river of Nuestra Señora (Rio Grande) flows through a broad valley planted with fields of maize and dotted with cottonwood groves. There are twelve pueblos, whose houses are built of mud and are two stories high." Hernando de Alvarado, 1540

The Spanish explored New Mexico as a combination of exploration and missionary efforts by the Catholic Church of Spain. The Spanish entered the middle Rio Grande valley and mandated catholic teachings in every pueblo they encountered. This was in direct conflict with the native Americans' traditional religions and eventually led to unrest and the ensuing Pueblo Revolt of 1680.

In 1706, Colonization increased and Albuquerque was founded by Governor Don Francisco Cuervo y Valdes and named in honor of the Duke of Albuquerque, viceroy in Mexico City. Four years later the Town of Alameda Land Grant, land upon which Rio Rancho is built, was officially conveyed by the Spanish Crown. It stretched from the Rio Grande to the Rio Puerco, and included present day Alameda, Corrales, Paradise Hills and Rio Rancho. Within the grant the land was divided by varas: long, parcels that extended westward from the Rio Grande and connected each farmer to his neighbor through a network of acequias or irrigation ditches. This parcel platting is still evident in the ownership pattern and street pattern visible in the adjoining community of Corrales, New Mexico.

Mexican Period 1821 to 1846.....

In 1821, Mexico won its independence and the Santa Fe Trail was opened as a major commerce route between Mexico City and Missouri. The route parallels the Rio Grande corridor adjacent to present day Rio Rancho.

American Period 1846 to 1912.....

In 1846, President Polk declared war with Mexico under the direction of General Stephen W. Kearny. Santa Fe was subsequently captured and the American Period began and New Mexico was organized as a territorial entity. At the close of the Mexican War two years later, the Treaty of Guadalupe Hidalgo was signed commencing the process of formally adopting New Mexico as a Territory of the United States.

After the establishment of the American territorial government in 1848, private land holdings, such as the Alameda Land Grant, were challenged in the United States Court leading to a number of lawsuits resulting in disputed boundaries for many years. In 1864, the Office of the US Surveyor General surveyed the Town of Alameda Land Grant followed by the creation of Sandoval County in the early 1900's. The total population of the entire State of New Mexico was estimated to be approximately 327,300 persons. President William Howard Taft signed the legislation that made New Mexico the 47th state of the union in 1912.

Statehood 1912 to 1960.....

It has been speculated that because land grant heirs did not understand property laws or were unable to pay taxes, much of the Alameda Land Grant was sold to a land investment company. The San Mateo Land Company purchased the property in 1919 for \$0.19 per acre as an investment and sold the property several years later in 1948 to Brownfield & Koontz to become the "Koontz Ranch" with over 500 head of cattle grazing on the property. In 1959, the property was sold to Ed Snow a local investor and developer. The land, located immediately north and west of the City of Albuquerque continued to increase in value as the Albuquerque metropolitan area grew to just over 200,000 persons in 1960.

In 1961, Rio Rancho Estates, Inc. (hereinafter, "AMREP") purchased an estimated 55,000 acres as an investment. AMREP's success in New York City as a rose flower mail order business afforded the company the financial ability to purchase the property for approximately ten million dollars. In the years immediately following the purchase, a plan was created to subdivide the property into tens of thousands of lots and sell them using mass marketing and mail order techniques. AMREP platted and sold this land as Rio Rancho Estates in half acre and one acre lots to thousands of absentee property owners through

mail order sales in the 60's and 70's. AMREP sold 77,000 lots to 40,000 buyers for \$200 million at \$795 for one half acre and \$1,495 for one acre, while retaining over 25 percent of the acreage for future development.

In 1966 the 100th family moved into the community and by 1970, “Rio Rancho Estates” had grown to 91,000 acres with the purchase of an additional 35,000 acres of King Ranch property. AMREP continued its interest and involvement in the community and established its role in the development of the emerging City as builder, land developer, economic development coordinator and leader in the construction of affordable housing.

In 1975, AMREP ceased mail order land sales and began concentrating on housing and commercial development. Beginning in 1977, AMREP marketed most of its early subdivisions to retirees, but it soon shifted its focus to providing affordable housing for young families. After Rio Rancho incorporated on February 23, 1981, AMREP began promoting economic development to provide a more favorable jobs/housing balance for the area and an economic base to generate high paying jobs and tax revenues for the growing City. In 1980, the City had 1,500 jobs, less than one third of which were economic base jobs that export goods and services out of the area and bring in money. By 2000, employment in the City had increased to over 19,000 jobs, over 10,000 of which were in the economic base category.



Looking north from the intersection of 23rd Avenue SE and Leonard St. SE (1964-65).

The 1990's were marked by Rio Rancho's monumental steps forward with respect to its ability to mature as a City – from bedroom community to a self-sustaining City. The City acquired the Water and Wastewater Utility, established its own school district, solicited the development of several post-secondary educational facilities, elected to become a “Home Rule” Chartered community, achieved and currently maintains the second lowest crime rate in the State of New Mexico and encouraged the development of a variety of business through the development of efficient public/private partnerships and through incentives such as industrial revenue bonds.

Rio Rancho has also made exceptional strides toward becoming a self-sufficient community by playing a leading role in the creation of economic base jobs within the greater Albuquerque metropolitan area. The Intel Corporation, as the world's largest single producer of computer chips, has had a significant positive economic impact on the community since 1980. While in 1997 and 1998, the City added about 4,500 jobs associated with the "Call Center" industry. As the City continues to grow, diversification of the economy becomes more important in the creation of a stable business development climate; most recently Hewlett Packard Company started operations in November 2009 and two hospitals opened their doors, Presbyterian in October 2011 and UNM Sandoval Regional Hospital in July 2012.

The population of the City has continued to grow from 9,985 in 1980, 51,765 in 2000 and 87,521 in 2010 Census.

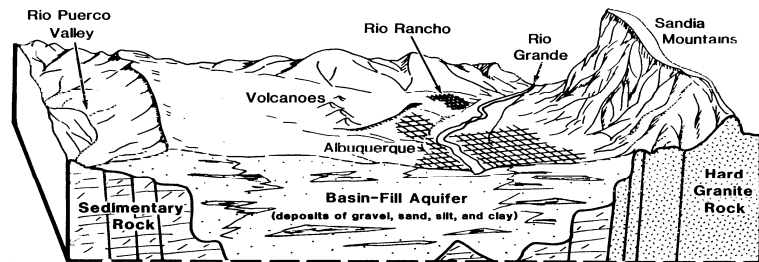
PHYSICAL ENVIRONMENT

The City of Rio Rancho comprises approximately 105 square miles and is located along the Middle Rio Grande Valley, north of Albuquerque. It is bounded on the east by the Rio Grande, which separates the City from Sandia Pueblo, while the escarpment between Rio Rancho and the Village of Corrales defines the remainder of the eastern boundary. On the south, Rio Rancho's boundary is the Sandoval County line. In 2003, the City of Rio Rancho incorporated 6,500 acres of Quail Ranch and 3,528 acres of Paradise Ranch located west of Albuquerque in Bernalillo County. The City's western boundary generally follows Rainbow Boulevard and the Calabacillas Arroyo. The City's northernmost boundary is defined by Albuquerque Academy's Mariposa Ranch, State Land Office (SLO) properties & US 550.

Geology –

Rio Rancho is located in the Albuquerque Basin of the "Basin and Range Province" within a geologic feature known as the Rio Grande Rift. The community sits upon several hundred feet of sediment that fills the rift trough. The elevation of the City varies from approximately 50' to 1000' feet above the present Rio Grande floodplain. The rift represents a large fracture in the earth's surface that bisects the State of New Mexico from the Colorado border to Las Cruces. The rift was formed by the pulling apart movement of a large piece of the earth's crust resulting in a valley bounded on two sides by mountains. *Figure 4.31* below illustrates a geologic cross-section of the Middle Rio Grande Valley.

The Sandia Mountains and the Rio Puerco valley define the east-west boundary of the rift within the metropolitan region. The rift edges are called faults and are comprised of a large number of fractures. The volcanoes just south of Rio Rancho were formed along one of these fractures in the rift approximately 190,000 years ago. Fractures in the earth's surface have allowed rising heat from the earth's core to heat groundwater and result in hot springs and geologic formations such as Soda Dam in the Jemez Mountains north of Rio Rancho (below).



Topography & Terrain –

The City's elevation varies by as much as 1,210', ranging from 5,030' along the banks of the Rio Grande to 6,240' at the northwestern reaches of the community. The City's varied topography includes a number of hills defining the landscape such as a Loma Colorado de Abajo, Loma Duran, Loma Barbon, Loma Machete, and Picuda Peak.

LOCAL GOVERNMENT

The City of Rio Rancho was incorporated in 1981 and adopted a municipal charter as a home rule City in 1991. A municipal charter grants the City broad power of self-government under the state of New Mexico constitution. The City may specify its form of government and enact ordinances to address land use, and adopt its own procurement code. The Charter also establishes the office of the City Manager, City Attorney, and the City Clerk. The Charter also establishes the Municipal Court and the Municipal Judge. The Charter establishes boards and commissions, such as the Planning and Zoning Commission, the Utilities Commission, Parks and Recreation Board, and Capital Improvement Plan Citizens Advisory Committee.

The City of Rio Rancho has a hybrid Council/Manager form of government in which the Mayor is a member of the Governing Body. The Mayor is the Chief Executive Officer serves a four-year term and is elected at large in a non-partisan election held in March in even numbered years. The Mayor presides over Governing Body meetings, but can only vote in the event of a tie vote. The Mayor appoints members of City boards and commissions with the approval of the Governing Body. Six City councilors are elected by district to four-year terms, with three members elected every two years. The council elects from of its members a deputy mayor to act in the Mayor's absence. The Governing Body enacts by ordinance the administrative structure of the City, determining the number of City departments and their respective functions. The Governing Body established by ordinance a personnel policy for hiring, promotion and discipline of City employees.

The City Manager is the Chief Administrative Officer, appointed by the Mayor subject to the approval of the Governing Body. The City Manager is responsible for the day-to-day operations of the City. Governing Body policy is conducted through the City Manager to department staff. The City Manager appoints all City department directors subject to the approval of the Governing Body. The City Manager is responsible for the preparation of the annual budget and five-year capital improvement plan for submission to the Governing Body.

BUDGET PHILOSOPHY AND PROCESS OF DEVELOPMENT

What is a Budget?

The City of Rio Rancho's Fiscal Year 2012 budget is far more than just a set of numbers in neatly laid out tables. It is the single most comprehensive expression of Governing Body policy that is produced. As such, the budget document has been prepared to serve a variety of stakeholders and purposes. Stakeholders include citizens, Governing Body, state agencies, City staff, and social agencies. All are considered to be our customers. In order to address the concerns of our customers, the budget is designed to be:

A Policy Document - As the most comprehensive expression of Governing Body policy produced by the City, the document describes what the City is doing, why it is necessary, how and where it will be done, and how it will be financed. These are policy decisions.

A Financial Plan - The budget provides the legal documents (fund summaries, tables, schedules, and charts) necessary to conduct City business for the current Fiscal Year. The budget document is reviewed and approved by the New Mexico Department of Finance and Administration.

An Operations Guide - The budget describes City organization, strategic plan, and the functions of each element of the organization in each department budget.

A Communications Device - The budget is developed to provide varying levels of detail for policy, financial, personnel, and project information. The varying levels of detail make the document a suitable source for research. The budget also includes features to make information retrieval simple, including a table of contents, a glossary, and an electronic version that is accessible and searchable through the City's website.

Legal Authority and Mission - The City of Rio Rancho is a full service home rule municipality governed by the provisions of the New Mexico Constitution and the City Charter. The City provides a wide variety of services. Municipal services are financed through a variety of taxes, fees, charges for service, utility rates, and intergovernmental assistance. The Governing Body of the City adopts an Annual Budget as the plan for delivery of services.

Fund Accounting - Fund accounting is used by municipalities for budgeting and accounting. Each fund is considered to be a separate account, similar to a checking account. Revenues received are deposited into the fund and are used to pay for ongoing activities.

The City of Rio Rancho uses seven major types of funds that are grouped into the following categories: **General, Special Revenue, Capital Project, Debt Service, Agency, Internal Service and Enterprise Funds**. A short description of each of the fund categories follows:

General Fund - The General Fund is the major operating fund of the City that accounts for all financial resources except those required to be accounted for in another fund. The General Fund receives revenues from state and local taxes, grants, transfers from other funds, interest income, fees, fines, rentals, licenses, permits, reimbursed expenses, franchise fees, intergovernmental transfers, and other revenues. Services provided by the General Fund include public safety (police, communications 911, animal control and code enforcement), fire and rescue (fire and emergency medical services), development services (planning, inspections), public infrastructure (engineering and streets), cultural enrichment (parks, recreation, and senior programs), municipal court, libraries, policy, and administration.

Special Revenue Fund - Special Revenue Funds account for proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes, such as grants or restrictions imposed by state or federal laws for specific resources by the Governing Body.

Capital Projects Funds - Capital Projects Funds account for resources to be used for acquisition, construction, and major maintenance of capital facilities and infrastructure other than those financed by an enterprise fund.

Debt Service Funds - Debt Service Funds account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

Agency Funds - Agency Funds are fiduciary funds that account for assets held as an agent for individuals, private organizations, and other units of government that do not involve measurement of results operations.

Internal Service Funds – Internal Service Funds are specifically designed for goods and services that are provided on a cost-reimbursement basis. That is, the goal of an internal service fund should be to measure the full cost of providing goods and services for the purpose of fully recovering that cost through fees or charges.

Enterprise Funds – account for activity for which a fee is charged to external users for goods or services. The City has two enterprise funds.

Water and Wastewater Utility Fund - The Water and Wastewater Utility Fund is financed by rate charges to water and wastewater utility customers, fees, grants, and interest income. These rates are set at a level to support all costs in delivering the service to residents.

Multi-purpose Events Center Fund – accounts for activity, such as sporting events, concerts, and conventions. The fund is supported by contractually obligated income and a surcharge on all ticket sales and merchandise sales related to the Multi-purpose Events Center.

How Funding is Developed

Basis of Budgeting

The City Budget is prepared on an accrual basis of accounting consistent with Generally Accepted Accounting Principles (GAAP). Annual budgets are adopted for all funds. All unexpended appropriations lapse at the close of the fiscal year (June 30th) and become components of the fund balance.

The City of Rio Rancho uses the **modified accrual basis of accounting** for all governmental and agency funds. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, except for un-matured interest in general long-term debt which is recognized when due. Revenues subject to accrual are reimbursements of expenditures previously made and miscellaneous services rendered.

The **accrual basis of accounting** is followed in the enterprise fund and internal service funds. Revenues are recognized as soon as they are earned, and expenses are recognized as soon as a liability is incurred.

The Budget Development Process

The budget schedule and process is designed to meet Charter mandates and to allow for participation by the public, the Governing Body, and staff. The City's Annual Budget is developed over a seven-month period, beginning in December and ending in July.

Budget Process								
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<i>Budget Process</i>								
Budget Preparation Manual & Training								
City Departments submit requests								
City Manager, FS Committee & Department								
head review budget requests								
City Manager & FS Committee make changes								
Develop Recommended Budget								
Recommended Budget delivered to Mayor								
Recommended Budget presented to								
Governing Body								
Board of Finance budget Hearings								
Public Hearing								
Governing Body approves and adopts Budget								
The Adopted Budget is sent to DFA								
DFA review and informs City of changes required								
Governing Body approves the Final Budget								
Final document is sent to DFA								

FS: Financial Services

DFA: New Mexico Department of Finance & Administration

December and January - Budget Preparation Manual is distributed to all departments by the Financial Services Department. The Financial Services Department staff train City staff on budget processes and budget software. Departments prepare and submit their requests to the Financial Services Department.

January and February - The City Manager and the Budget Committee review and discuss budget requests with department directors and budget staff.

February and March - The City Manager and Budget Committee make adjustments to Departments funding level and infrastructure projects.

April - The Financial Services Department develops the City Manager's recommended budget document. The City Manager delivers the recommended budget to the Mayor for review no later than April 15th. The Mayor submits written comments regarding the recommended budget to the City Manager within ten days. The City Manager may or may not incorporate the comments into the recommended budget. The City Manager must give a written explanation to the Governing Body why any comment or recommendation was not included in the recommended budget, when presented to the Governing Body.

May - Governing Body budget review hearings are held on the budget. Following adoption by the Governing Body, the budget is delivered to the NM Department of Finance and Administration (DFA) at

the end of May. After reviewing the document, DFA provides interim approval by the end of June. Public hearings on the proposed budget are held at the regularly scheduled Governing Body meetings.

July - After the closing off the books, the City determines beginning fund balance for each fund, rolls balances of infrastructure and capital projects, updates payroll with new benefit costs and other adjustments as needed. The Governing Body approves the final budget at the second meeting of July and the final budget is submitted to DFA by July 31st. DFA grants final approval of the budget in September.

Changes to the Adopted Budget

Budget Increases - Departments are expected to confine spending to amounts appropriated during the budget process. In certain cases, however, appropriations may be increased during the budget year under the following circumstances:

Carryover Encumbrances - If a department has open purchase orders at the end of the fiscal year, related appropriations are encumbered and carried over to the next year to cover the actual expenses when they occur.

Unanticipated Revenue - If a fund receives revenue during the year from a source that was not anticipated or projected in the budget, the Governing Body may approve a budget adjustment to increase appropriations for expenditure in the year received.

Prior Year Reserves - In cases where a fund's reserves are greater than required by policy, supplemental appropriation requests may be funded, with Governing Body appropriating amounts from reserves to fund items not included in the original adopted budget. The Governing Body may also appropriate reserves in case of emergency or unusual circumstances.

Budget Decreases - Annual budgets may be decreased below adopted appropriations by Governing Body action. Changes in service demand, economic conditions, revenues realized below projections and Governing Body goals and direction may cause budget reductions. The NM Department of Finance and Administration may also direct decreases if funds do not have sufficient reserves. The City Manager will recommend decreases in expenditure authority to Governing Body.

Budget Transfers

There are two types of budget transfers, **within fund** and **between funds**. **Within fund** transfers move budgeted funding between line items. These transfers require the approval of the City Manager. The City Manager has authority to approve transfers within cost centers not to exceed \$20,000 during a fiscal year. Between fund and department transfers, transfers exceeding \$20,000 within cost centers, recognizing revenues to appropriate expenditures, or reducing ending fund balance to increase expenditures, must be recommended by the City Manager and approved by the Governing Body.

The circumstances that require budget transfers are many. In some cases, the responsibility for implementing a program is changed from one department to another. Management continually strives to make the organization more efficient, and budget transfers assist in achieving efficiency.

New Mexico state law prohibits a municipality from making expenditures in excess of approved appropriations. If a fund is not overspent, it is in compliance with state law.

FINANCIAL PLANNING

This Comprehensive Financial Plan (“The Plan”) focuses on the City’s General Fund revenues and expenditures. Its purpose is to provide a five year outlook on the financial condition of the City’s General Fund utilizing the latest available professional economic forecast information, analysis and sound forecasting methodologies, such as regression, time series, and trend analysis.

The Plan provides an estimate of how much revenue will be available over the five-year period and anticipated expenditures required in order to meet the City’s operational goals over the forecast period. The assumptions utilized in the revenue estimates include the local economic forecast; revenue trends associated with structural shifts in our local economy, and known major development projects. The Plan includes expenditure assumptions on the increasing cost of operations (i.e. inflation factors) and known changes to services, policies, laws and regulations. The City’s financial policies also play a role in shaping the Plan, such as providing unreserved fund balance targets.

The Plan is not an attempt to predict the future, but to provide policymakers and staff a framework and tool to evaluate the impact of budget and operational decisions not just on the current year, but on future years, based on the best available information at that point in time.

THE ECONOMY

The FY13 budget is based on the March 2012 BBER estimate, as such, this discussion only covers economic data through that period. The U.S. economic recovery may finally be gaining momentum as reflected in recent economic news, which has generally been positive during the first part of calendar year 2012. Businesses, which have enjoyed strong profit performance, appear to have squeezed as many gains in productivity as can be easily achieved by trimming their workforce. Businesses are now hiring. The US economy has now experienced three months of job growth above 200,000. However, the March 2012 report was disappointing with employment growth of only 120,000.

Gross Domestic Product

On March 29, 2012, the US Bureau of Economic Analysis (BEA) released their third estimate of real GDP for the fourth quarter of 2011. Growth over the third quarter at a seasonally adjusted annual rate (SAAR) was 3.0 percent. The US economy grew by 1.7 percent during 2011, down from the 3.0 percent growth experienced in 2010.

Gross Domestic Product (GDP) has grown annually since 2009 and quarterly since the first quarter of 2010. The 3.0 percent growth in the fourth quarter of 2011 reflected stronger growth in consumer expenditures, a pickup in residential construction, continued investment in equipment and software and inventory accumulation. Federal, State, and Local Government continued to experience negative growth rates.

Personal Income and Employment

Personal income grew by 3.2 percent in the fourth quarter 2011, the same rate as in the third quarter. Disposable income grew by 2.9 percent, with the growth in personal outlays continuing to grow. Savings, as a percent of disposable income, continued its slow downward descent to 4.5 percent. The savings rate for 2011 averaged 4.7 percent, down from 5.3 percent in 2010 and 5.1 percent in 2009.

According to figures released by the Bureau of Labor Statistics in April 2012, nonfarm payroll employment grew by 120,000 in March, after three months with growth well over 200,000. Total payroll employment in March was up 1.9 million from a year earlier, with private sector jobs up 2.1 million. Public sector employment was down 322,000, with all three levels of government in the negative. The struggling construction sector showed a year-over-year gain of 55,000 employees, while manufacturing employment was up some 230 thousand. Professional and business services had an almost 600 thousand gain from March a year ago, with the increases in employment roughly split between professional and technical and administrative and waste services. Notable facility openings in Rio Rancho include Presbyterian's Rust Medical Center in Rio Rancho, which opened at the end of October 2011; UNM Sandoval Regional Medical Center, opened in July 2012; and Stream Global Services, which provides warranty sales support, is actively recruiting to fill 300 positions by December 2012.

The unemployment rate in the Albuquerque metro is slightly lower than the state's rate (7.3% compared to 7.5%), in part reflecting a sharper recent contraction in the metro's labor force.

The U.S. unemployment rate in March was 8.2 percent, down from 8.9 percent a year ago. A total of 12.6 million people were counted as unemployed in March 2012; this figure is down a little less than 1 million from March a year ago. In the Albuquerque Metro area, after falling two percentage points from a peak of 9 percent in 2010, the unemployment rate has dropped considerably, falling to 7 percent in late 2011, increasing some throughout the beginning of 2012, and staying just above 7 percent in recent months.

Housing

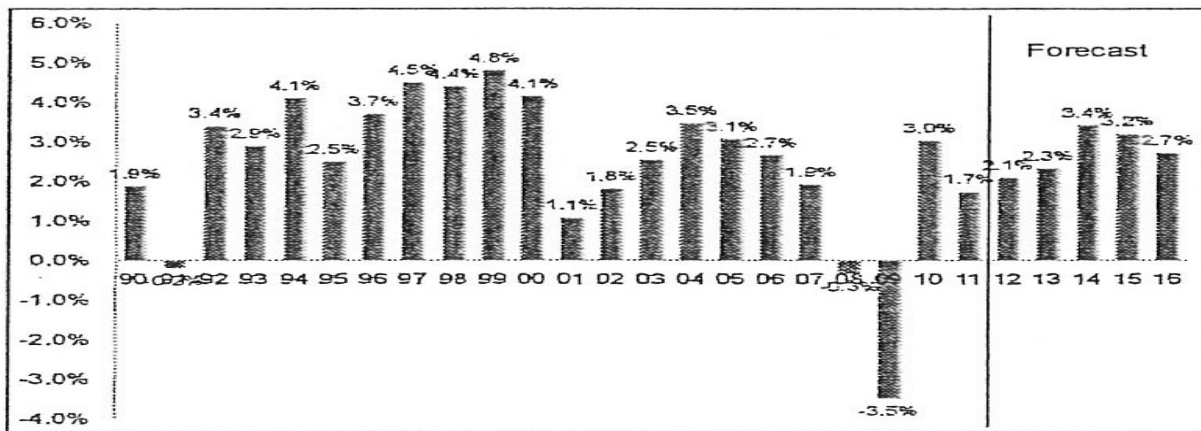
The housing market continues to be weak. Foreclosure activity was down in 2011 from 2010, but with prices remaining weak, many who still own their homes find themselves under water, with the market value of the home less than the outstanding balance on their mortgage. Moreover, foreclosures could rise slightly in 2012 due to the settlement reached between States and lenders in the "robo-signing" scandal of 2011.

According to the US Census Bureau estimates, new home sales in February were 313,000, 1.3 percent below January 2012 but 11.4 percent above a year ago. Year-to-date, new home sales are up 8.2 percent. According to the National Association of Realtors (NAR), existing home sales in February were 0.9 percent above February 2011. However, housing prices remain well below their peaks in many markets. In Rio Rancho, through March housing permits were 44 percent higher compared to 2011 and foreclosure activity is 17 percent lower in 2012 compared to the same period last year.

Economic Outlook

According to the March 2012 Bureau of Economic Research (BBER) forecast, real GDP growth is expected to be stronger in 2012, but slightly weaker in 2013 and beyond. Real GDP, which grew 1.7 percent in 2011, is now expected to grow by 2.1 percent in 2012, 2.3 percent in 2013, and ranging between 3.2 percent and 3.4 percent in 2014 and 2015, slowing to 2.7 percent in 2016.

Annual Growth in Real GDP



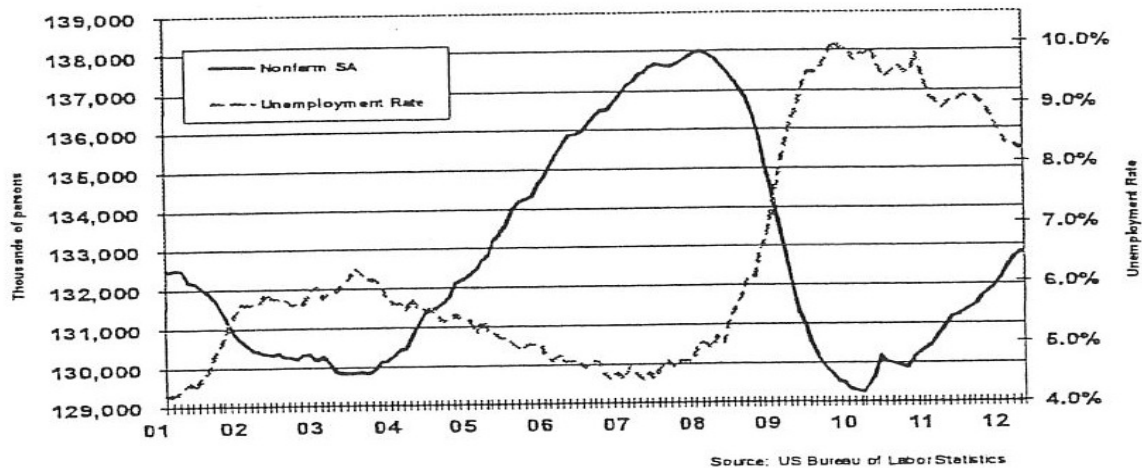
UNM Bureau of Business and Economic Research

IHS Global Insight, Mar 12

A similar pattern of stronger growth in the near-term can be seen in the forecast for personal income, with growth of 5.1 percent in 2011 slowing now to 3.7 percent in 2012 and then rising to 3.9 percent in 2013, 4.9 percent in 2014 and 2015, declining slightly to 4.8 percent in 2016. Consistent with national and state economic forecasts, the growth of total personal income in Albuquerque is expected to slow in 2012, despite the modest improvements in the labor market. The concern for the Albuquerque MSA is that slow growth of transfer payments, investment income and proprietors' income will offset stronger gains in private sector wage and salary disbursements.

The employment situation is similarly more optimistic in the near term. Payroll employment is expected to grow by 1.5 percent in 2012 and 2013. However, growth of only 1.7 percent is expected in 2014 and 2015, and growth in 2016 is also slower at 1.5 percent.

US Nonfarm Employment and Unemployment Seasonally Adjusted



Source: US Bureau of Labor Statistics

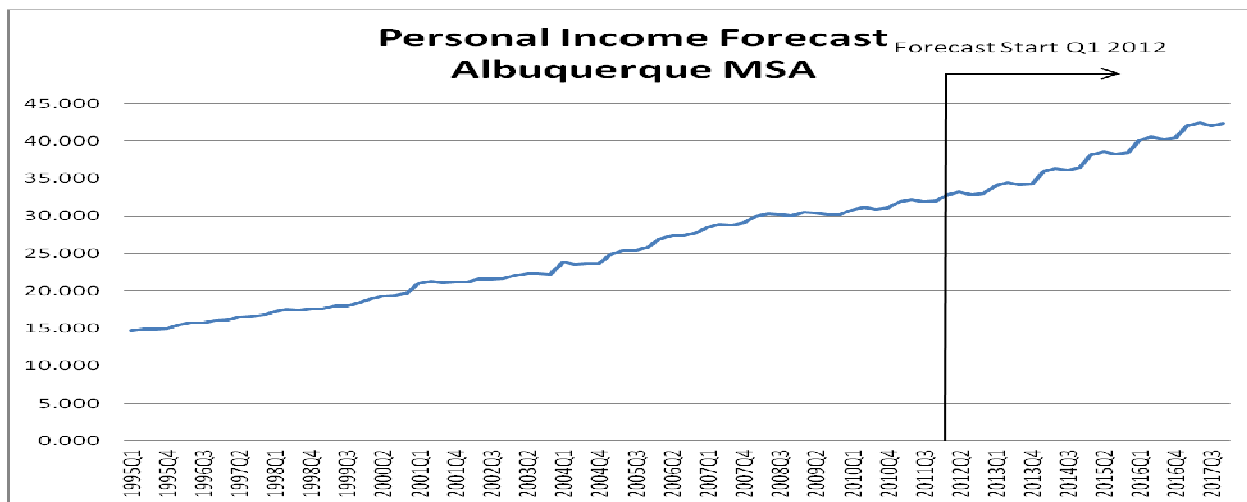
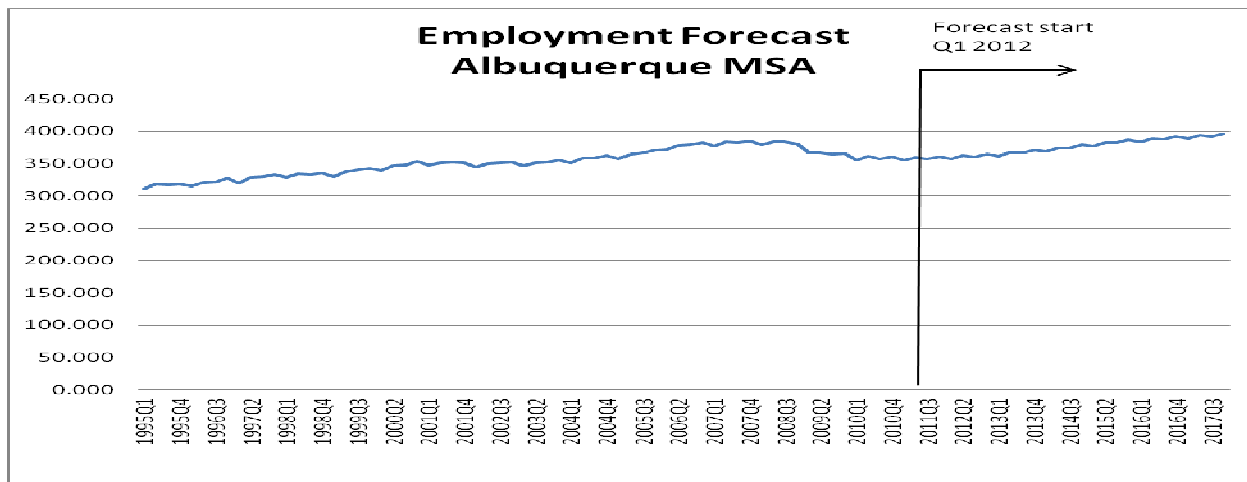
UNM Bureau of Business and Economic Research

BBER is forecasting a somewhat quicker pick-up in the housing market with higher activity through 2015. They expect a modest improvement in housing starts in 2012 concentrated in the multi-family segment. Housing prices are expected to fall 3.3 percent over the course of 2012.

Risks to the Forecast

INS Global Insight, the national forecasting firm used by BBER, gives a 50 percent probability to the forecast described above, a 20 percent probability to an optimistic scenario, whereby the recovery reignites, and a 20 percent probability of a pessimistic scenario, whereby we experience a double-dip recession.

The recovery in employment in the Albuquerque MSA will remain very gradual for another year, but is expected to gain strength in late 2013 when the rate of job creation will be greater than in other parts of the state. Personal income estimates follow employment trends.



Rio Rancho Five Year Financial Planning

GENERAL FUND FIVE YEAR FINANCIAL PLAN: FY2013 FINAL BUDGET

	Balanced FY2013	Change	Adopted FY2013	Projected FY2014	Projected FY2015	Projected FY2016	Projected FY2017
Sources							
Estimated Beginning Fund Balance	8,051,902	1,386,069	9,437,971	7,660,105	7,039,545	8,347,657	12,638,753
Property Tax	12,806,156		12,806,156	13,153,375	13,542,512	14,014,250	14,548,438
Gross Receipts Tax	23,775,011		23,775,011	24,152,527	26,320,333	29,344,269	31,623,285
Franchise Fees	3,704,588		3,704,588	3,865,920	3,988,504	4,119,765	4,258,760
Licenses & Permits	394,948		394,948	413,116	433,772	455,460	474,590
Grants	59,105		59,105	59,105	59,105	59,105	59,106
State Shared Taxes	340,877		340,877	359,625	379,404	400,272	422,287
General Government	1,402,921		1,402,921	1,440,318	1,483,341	1,528,714	1,568,348
Public Safety	2,037,090	177,975	2,215,065	2,225,236	2,300,183	2,379,525	2,348,709
Cultural Enrichment	952,372		952,372	969,009	986,364	1,004,474	1,023,378
Fines and Forfeitures	1,155,872	20,000	1,175,872	1,199,966	1,225,260	1,251,826	1,279,740
Reimbursement Revenue	2,994,481		3,036,506	2,971,855	2,990,513	3,008,188	3,026,111
Miscellaneous Revenue	60,400		60,400	134,400	56,400	61,400	75,400
Total Recurring Revenues	49,683,821	197,975	49,923,821	50,944,452	53,765,692	57,627,248	60,708,151
Non-Recurring Revenues	521,792	-	521,792	649,537	75,704	-	-
Total Revenues	50,205,613	197,975	50,445,613	51,593,989	53,841,395	57,627,248	60,708,151
Transfers from Special Funds	300		300	304	309	313	317
Total Sources	58,257,815	1,584,044	59,883,884	59,254,399	60,881,249	65,975,218	73,347,221
Uses							
Personal Services	40,409,754	(20,663)	40,389,091	40,804,915	41,262,321	41,765,467	42,318,928
Materials & Services	11,507,816	16,110	11,523,926	11,734,336	11,596,503	11,912,004	11,985,679
Capital Outlay	72,905	10,000	82,905	-	-	-	-
Total Expenditures	51,990,475	5,447	51,995,922	52,539,250	52,858,823	53,677,471	54,304,608
Total Transfers Out	793,528	-	793,528	254,594	254,594	254,594	254,594
Ending Fund Balance Unreserved	1,141,272	1,620,168	2,761,441	2,082,283	3,362,930	7,570,030	14,262,636
Ending Fund Balance Reserved	4,332,540	454	4,332,994	4,378,271	4,404,902	4,473,123	4,525,384
Total Ending Fund Balance	5,473,812	1,620,622	7,094,434	6,460,554	7,767,832	12,043,153	18,788,020
Total Uses	58,257,815	1,626,069	59,883,884	59,254,399	60,881,249	65,975,218	73,347,221

Revenue Assumptions

Gross Receipt Taxes are projected using a regression model for construction, retail, services, wholesale and transportation, communications and utilities trades (TCU); and for the other trades, a time series analysis approach is used. A construction add factor of \$800,000 is included for FY2013 and FY2014 based on the anticipated construction of a new assisted living facility. GRT revenue for FY13 is \$1,167,492 or 4.5 percent less than FY12 levels primarily due to the end of the hospital construction. The projected growth for FY14 is 2.1 percent, 6.4 percent for FY15, 11.2 percent for FY16 and 7.8 percent for FY17.

Property Tax, the second most important revenue source is estimated based on the Department of Finance and Administration yield control formula. The formula factors in new residential and non-residential construction growth, and an inflation factor, which together act as a constraint on revenue growth pursuant to state law (Chapter 7, Article 37). The previous year tax effort (current taxes imposed) is multiplied by the total growth factor, and the product is divided by the current year tax base to derive the operational mill rate. This mill rate is then imposed on the net taxable value of property as certified by the County Assessor's Office.

The five-year property tax revenue estimate utilizes a conservative forecast of the number of fiscal year housing permits to be issued for fiscal year 2014 through fiscal year 2017. The number of housing permits is multiplied by the current median home price, and the product divided by one third to estimate new net taxable value. Based on Global Insight, the national forecasting firm used by BBER, the housing market is expected to do incrementally better in FY12, gain slight momentum in FY13 and see a modest rebound beginning in FY14. Similarly, new non-residential construction is estimated at recent historical rates of growth in the total available non-residential square footage, removing the effects of large, one-time developments such as Hewlett Packard, Presbyterian Hospital, and the Sandoval Regional Medical Center. City permit data is cross referenced with the Sandoval County Assessor's Office on an annual basis to refine the estimate for the current year. Total property tax revenue are projected to growth at rates between 2.6 to 4 percent through FY17.

Franchise Fee projections include telephone services, natural gas, water and wastewater, waste management, cable and electric services; based on trend and analyses of rate changes of each of these services. The most significant franchise fee revenue is electric franchise fee and growth projection range from five to 7.4 percent through FY17 based two percent increase in fuel prices and three percent increase based on construction growth and new accounts including an estimate for the electricity used by the new hospitals in FY13 through FY17.

Other revenues projections are based on trend analysis and growth rates mirroring March 2012 BBER forecast.

Expenditures Assumptions

Personal services represent 78 percent of the total general fund expenditures in Fiscal Year 2013. The personal services estimate includes, zero percent increase for health insurance and one percent increase on dental insurance; increased workers compensation rate of 55.5 percent in all funds generating approximate \$300,000; increased retiree healthcare rates for general employees from 1.834 percent to 2 percent of salary, for Public Safety employees from 2.292 percent to 2.5 percent of salary; vacancy savings budgeted at \$1.5 million based on recent trends, and terminal leave budget of \$550,000. For the out years, the personal services cost does not consider growth of full time equivalent employees or changes in salaries and wages other than the 2 percent salary increase in FY13 and a 10 percent health insurance increase beginning in FY14 to FY17.

The Material and Services increase is linked to historical trend, using the last 6 fiscal years of actual data and the CPI projection from Global Insight, for FY14 1.4 percent and ranging between 1.4 and 1.5 percent through FY17. Some utilities cost are forecasted different than other material and services expenditures such as electricity costs, which increase 2 percent per year, based on natural gas price forecasts; water/wastewater services costs are based on proposed rate increases of 3.5 percent in FY13 a

3.8 to four percent increase through FY17; gasoline price projections are based on Global Insight projections.

Project Support and Incentives

The City of Rio Rancho annexed 1,000 acres of state land. The City is creating, on a 160 acre parcel, its Central Business District. Companies interested in relocating or expanding in Rio Rancho could qualify for the following project support and incentives through the City of Rio Rancho and/or the State of New Mexico.

Local Incentives

- One-stop, fast-track permitting/expedited construction inspections
- Industrial Development Bond Financing, including
 - Partial property tax abatement (66 percent for up to 30 years)
 - Gross receipts tax exemption on equipment purchases
- Job Training Incentive Programs
- A Gross Receipts Investment Policy (GRIP) was adopted to attract retail businesses. The City may choose to refund gross receipts taxes to a developer or company that invests in public infrastructure as part of their decision to relocate to Rio Rancho.

State Incentives

- High Wage Jobs Tax Credit
- Film Industry Incentives
- Manufacturing Investment Tax Credit
- Software Development Tax Credit
- Research and Development Tax Credit
- Renewable Energy Production and Solar Market Development Tax Credits

Source: Rio Rancho Economic Development Corporation

Representative Activity

- New Central Business District (CBD) with Event Center and City Hall
- Hewlett-Packard technical/sales support center, 218,000 SF, 1,350 jobs.
- New University of New Mexico West Campus located just east of CDB, 40,000 SF building opened in 2009.
- Central New Mexico Community College a 47,359 SF facility opened in 2010.
- New \$150 million full service Presbyterian Hospital at Unser Blvd opened October 2011.
- New \$150 million full service UNM Sandoval Regional Medical Center opened July 2012.
- New 227,000 square feet of retail and medical office space at Unser Blvd.
- \$800 million in multiple mixed-use developments, including Loma Colorado, Cabezon and Mariposa Communities.

Source: Rio Rancho Economic Development Corporation

Per Capita Income

The following table sets forth per capita personal income levels for Albuquerque MSA, Sandoval County, the State of New Mexico and the United States.

PER CAPITA PERSONAL INCOME				
Year	Albuquerque MSA	Sandoval County*	State of New Mexico**	United States
2005	31,723	28,293	28,876	35,424
2006	33,470	29,620	30,513	37,698
2007	34,528	30,833	32,018	39,392
2008	35,608	31,907	33,609	40,166
2009	34,114	31,154	32,389	38,846
2010 _p	34,482	32,021	33,342	39,937

p Preliminary

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Data released April 2012. New estimates for 2010; revised estimates for 2009

*The rank of Sandoval county among the 33 counties is 10

**The rank of New Mexico among the 50 states and District of Columbia is 44

Table prepared by: The City of Rio Rancho Financial Services Department

Median Household Income and Median Family Income

The following table shows median household income changes between 2000 and 2010 for Rio Rancho, the State of New Mexico and the United States. In addition it shows the changes in Median Family Income and Poverty level all people...

ECONOMIC CHARACTERISTICS			
	Median Household Income	Median Family Income	Poverty Level all People
Rio Rancho			
2000	47,169	52,233	5.1%
2010	53,998	60,123	11.2%
Change	14.5%	15.1%	6.1%
New Mexico			
2000	34,133	39,425	18.4%
2010	42,090	51,020	20.4%
Change	23.3%	29.4%	2.0%
United States			
2000	41,994	50,046	12.4%
2010	50,046	60,609	15.3%
Change	19.2%	21.1%	2.9%

U.S. Census Bureau, 2000 and 2010 American Community Survey.

Table prepared by: The City of Rio Rancho Financial Services Department

The following table shows average wages for Albuquerque MSA, Sandoval County, the State of New Mexico and the United States.

AVERAGE WAGES				
Year	Albuquerque MSA *	Sandoval County	State of New Mexico	United States
2005	\$ 36,423	\$ 37,282	\$ 34,002	\$ 40,807
2006	37,687	38,323	35,503	42,703
2007	39,095	39,965	37,147	44,692
2008	40,230	39,146	38,680	45,807
2009	41,229	39,906	39,336	45,780
2010	41,673	41,700	40,199	47,046

Source: U.S. Department of Commerce, Bureau of Economic Analysis. Data released December, 2011. New estimates for 2010; revised estimates for 2009

*Bernalillo, Sandoval, Torrance and Valencia counties.

Table prepared by: The City of Rio Rancho Financial Services Department

The following table shows the Median Household Income in dollars for Sandoval County, State of Mexico and the United States.

INCOME AND BENEFITS				
Total Households Income Group	City of Rio Rancho	Sandoval County	New Mexico	United States
Under \$24,999	17.9%	21.1%	30.0%	24.9%
\$25,000 - \$49,999	28.2%	26.8%	27.0%	25.0%
\$50,000 - \$99,999	33.8%	31.8%	27.9%	30.1%
\$100,000 - \$199,999	15.7%	15.1%	12.8%	16.0%
\$200,000 and Over	4.2%	5.1%	2.3%	3.9%

Source: U.S Census Bureau, 2010 American Community Survey

Table prepared by: The City of Rio Rancho Financial Services Department

The following table shows the Total Personal Income for Albuquerque MSA, Sandoval County, State of New Mexico and the United States.

TOTAL PERSONAL INCOME (in thousands)								
Year	Albuquerque MSA	Change	Sandoval County	Change	State of New Mexico	Change	United States	Change
2005	25,338,060	7.1%	2,991,129	10.1%	55,342,340	7.3%	10,476,669,000	5.5%
2006	27,377,009	8.0%	3,319,055	11.0%	59,274,213	7.1%	11,256,516,000	7.4%
2007	28,819,987	5.3%	3,632,911	9.5%	63,035,677	6.3%	11,900,562,000	5.7%
2008	30,310,730	5.2%	3,986,250	9.7%	67,337,890	6.8%	12,451,660,000	4.6%
2009	29,899,277	-1.4%	4,018,389	0.8%	65,970,207	-2.0%	11,916,773,000	-4.3%
2010	30,687,620	2.6%	4,329,111	7.7%	68,882,358	4.4%	12,353,577,000	3.7%

Source: U.S. Department of Commerce, Bureau of Economic Analysis; data released April 2012. New estimates for 2010; revised estimated 2008-2009

Table prepared by: The City of Rio Rancho Financial Services Department

Historical Employment by Sector

The following table describes by industry sector the estimated nonagricultural wage and salary employment for the Albuquerque MSA during the past six years. The Bureau of Economic Analysis defines “earnings” as including wages and salaries, proprietor’s income and other labor income (such as bonuses).

NON AGRICULTURAL EMPLOYMENT						
Albuquerque MSA *	2006	2007	2008	2009	2010	2011 _p
Total Employment	\$ 391.5	\$ 395.8	\$ 394.9	\$ 378.0	\$ 371.6	\$ 371.7
Total Private	313.1	316.1	313.6	295.4	288.3	288.6
Goods Producing	55.5	54.2	50.4	42.1	38.9	38.3
Services Providing	257.6	262.2	263.2	253.3	249.4	250.3
Natural Resources & Mining & Construction	31.4	30.5	28.3	23.9	21.3	20.5
Manufacturing	24.1	23.7	22.0	18.2	17.6	17.8
Wholesale Trade	13.2	13.3	13.1	12.1	11.7	11.5
Retail Trade	43.7	44.6	44.5	41.7	40.8	40.8
Transp., Warehousing & Utilities	10.5	10.9	10.7	9.7	9.5	9.5
Information	9.4	9.2	9.4	9.0	8.7	8.6
Financial Activities	19.2	19.2	18.7	18.2	17.8	17.3
Professional & Business Services	62.9	64.3	64.3	60.0	57.4	56.9
Educational & Health Services	47.9	49.0	51.2	53.6	54.7	56.9
Leisure & Hospitality	38.5	39.4	38.9	37.3	37.1	37.3
Other Services	12.1	12.2	12.5	11.9	11.8	11.7
Government	78.5	79.5	81.3	82.6	83.3	83.0

*Bernalillo, Sandoval, Torrance and Valencia Counties; includes Rio Rancho

p Preliminary

Table prepared by: Bureau of Business and Economic Research, University of New Mexico

Employment

The following table, derived from information supplied by the Labor Department of the State of New Mexico, presents information on employment within Sandoval County, the State of New Mexico, and the United States, for the periods indicated. The annual unemployment figures indicate average rates for the entire year and do not reflect monthly or seasonal trends.

CIVILIAN LABOR FORCE AND UNEMPLOYMENT								
Annual Average								
Year	Albuquerque MSA *		Sandoval County		State of New Mexico		United States (000)s	
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2005	392,202	4.9	49,915	5.3	913,453	5.2	149,320	5.1
2006	400,734	3.9	52,720	4.2	924,516	4.1	151,428	4.6
2007	405,315	3.4	54,135	4.0	936,464	3.5	153,124	4.6
2008	408,192	4.6	55,933	5.3	946,487	4.5	154,287	5.8
2009	402,742	7.1	56,087	7.7	937,158	6.8	154,142	9.3
2010	400,385	8.3	56,174	8.7	934,380	7.9	153,889	9.6
2011 _p	397,483	7.8	55,982	8.6	927,785	7.4	153,617	8.9

p Preliminary

* Bernalillo, Sandoval, Torrence and Valencia counties; includes Rio Rancho

Source: U.S. Department of Labor, Bureau of Labor Statistics; New Mexico Department of Workforce Solutions, Economic Research and Analysis Bureau. Released April 2012

Table prepared by: The City of Rio Rancho Financial Services Department

Major Employers

The following table shows the major employers in the City of Rio Rancho.

MAJOR EMPLOYERS		
Rank	Employer	Type of Business
1	Intel Corporation	Semiconductors
2	Rio Rancho Public Schools	Education
3	Subcontractors (Intel)	Construction
4	HP	Technology
5	Sprint PCS	Call Center
6	Bank of America	Call Center
7	City of Rio Rancho	Government
8	Stream Global Services	Communications
9	Brycon Construction	Construction
10	Sandoval County	Government
11	Victoria's Secret Catalogue	Call Center
12	JC Penney	Call Center
13	Wal-Mart	Retail
14	US Cotton Inc.	Manufacturer
15	Intersections, Inc	Financial Services
16	Don Chalmers Ford	Car Dealer

Source: Rio Rancho Chamber of Commerce, as April 2009.

Occupation

The following table shows by percentages in which occupations people in Rio Rancho, Sandoval County, New Mexico and the United States are employed.

OCCUPATION				
	Rio Rancho	Sandoval	New Mexico	United States
Civilian Employed Population 16 Years and Over	Percent	Percent	Percent	Percent
Management, Professional, and Related Occupations	39.0%	39.2%	35.5%	35.9%
Service Occupations	18.4%	18.6%	20.1%	18.0%
Sales and Office Occupations	25.0%	24.8%	23.9%	25.0%
Construction, Extraction, Maintenance and Repair Occupations	11.5%	10.4%	11.6%	9.1%
Production, Transportation, and Material Moving	6.1%	7.1%	8.8%	11.9%

Source: U.S. Census Bureau, 2010 American Community Survey

Table prepared by: The City of Rio Rancho Financial Services Department

The next table shows by percentage in which industries people in Rio Rancho, Sandoval County, New Mexico and the United States are employed.

INDUSTRY				
Civilian Employed Population 16 Years and Over	Rio Rancho Percent	Sandoval Percent	New Mexico Percent	United States Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	0.4%	1.3%	3.7%	1.9%
Construction	6.8%	7.2%	7.5%	6.2%
Manufacturing	9.3%	8.8%	4.7%	10.4%
Wholesale Trade	2.9%	2.4%	2.0%	2.8%
Retail Trade	14.3%	13.1%	12.1%	11.7%
Transportation and Warehousing, and Utilities	4.6%	4.1%	4.3%	4.9%
Information	1.8%	1.3%	1.8%	2.2%
Finance and Insurance, and Real Estate and Rental and Leasing	6.5%	5.7%	4.2%	6.7%
Professional, Scientific, and Management, and Administrative and Waste Management Services	9.4%	9.9%	10.8%	10.6%
Educational Services, and Health Care and Social Assistance	20.5%	22.4%	24.7%	23.2%
Art, Entertainment, and Recreation, and Accommodation, and Food Services	9.7%	10.7%	10.6%	9.2%
Other Services, Except Public Administration	3.7%	3.6%	4.6%	5.0%
Public Administration	10.2%	9.5%	9.0%	5.2%

Source: U.S. Census Bureau, 2010 American Community Survey
Table prepared by: The City of Rio Rancho Financial Services Department

Building Permits

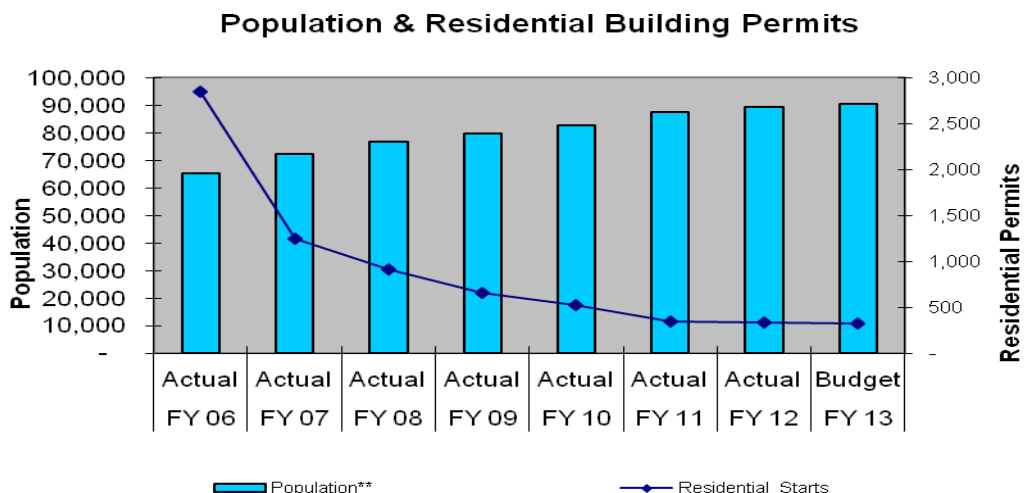
Initial development of the City was due in large part to the availability of affordable land. However, from 2005 to 2008 the average price of residential construction increased to the mid to upper income housing levels. Below is a historical chart for residential and non-residential building permits, their associated assessed valuation and the average price per unit:

BUILDING PERMITS					
Fiscal Year	Residential (1)			Non-Residential (2)	
	New Units	Value	Average price per Unit	New Units	Value
2012	335	\$ 61,148,887	182,534	9	\$ 5,290,489
2011	347	63,748,772	183,714	11	12,458,351
2010	521	91,861,755	176,318	0	-
2009	662	109,338,818	165,164	7	8,880,604
2008	917	190,970,957	208,256	40	45,834,386
2007	1,244	265,496,825	213,422	49	48,683,016
2006	2,851	601,099,600	210,838	29	20,860,522
2005	2,517	369,408,220	146,765	12	14,620,213

Source: City of Rio Rancho - Planning and Zoning

(1) Includes: R-1 Single Family

(2) Includes: C-1 Retail Commercial and M-1/C-2 Manufacturing Industrial Starts



Population

As the City of Rio Rancho has experienced fast growth, so has the state of New Mexico. According to the 2000 Census, New Mexico's 1.8 million population ranked as the 12th fastest growing state in the nation, with a 20.1 percent increase from 1990 to 2000. Projections estimate that New Mexico will add an estimated one million people by the year 2025 for a total population of 2.6 million. This anticipated rate of population change, at 55 percent, is expected to rank New Mexico as the 2nd largest amongst the 50 states and District of Columbia.

POPULATION CHANGES				
US Census				
Area	April 1, 2010	April 1, 2000	Change	% Change
United States	308,745,538	281,421,906	27,323,632	9.7%
New Mexico	2,059,179	1,819,046	240,133	13.2%
Sandoval County	131,561	89,908	41,653	46.3%
Rio Rancho	87,521	51,765	35,756	69.1%

Source: U.S. Census Bureau, Population Division. Released Date: March 2011

Table prepared by: The City of Rio Rancho Financial Services Department

The City's relatively short history of rapid growth and development began with its inception in the 1960's as a bulk land subdivision. Prior to its incorporation as a municipality, the 1980 census records Rio Rancho as having 9,985 persons residing within the vicinity. For incorporation purposes, a special census was conducted in 1981 revealing that Rio Rancho's population was 10,131. By 1990, the population had more than tripled to 32,505. As of the 2000 Census, the U.S. Bureau of Census reflects that the City population increased to 51,765. In 2010 Census, the city's population increased 69 percent to 87,521.

POPULATION CHANGES								
Year	Rio Rancho	Change	Sandoval County	Change	New Mexico	Change	United States**	Change
1980	9,985		34,400		1,303,143		226,542,199	
1990	32,505	225.5%	63,319	84.1%	1,249,069	-4.1%	248,709,873	9.8%
2000	51,765	59.3%	89,908	42.0%	1,819,046	45.6%	281,421,906	13.2%
2010	87,521	69.1%	131,561	46.3%	2,059,179	13.2%	308,745,538	9.7%
2011*	89,320	2.1%	134,259	2.1%	2,082,224	1.1%	311,591,917	0.9%

Source: U.S. Census Bureau, Population Division. Released Date: March 2011. *Estimated Population as July 1, 2011; data released December 2011

Table prepared by: The City of Rio Rancho Financial Services Department

Most of the City's growth resulted from net migration, resulting from people moving to Rio Rancho from other areas. A comparison of the demographic changes in Sandoval County and Rio Rancho between 1990 and 2000 illustrates how the influx of new residents accounts for Rio Rancho's population growth during this decade. This trend continued between 2000 to 2010.

This population growth has made Rio Rancho the largest city in Sandoval County, and the third largest in the state. With respect to Rio Rancho's share of the total New Mexico population, Rio Rancho ranked as the 14th largest community in state in 1980. As a result of an almost five-fold growth in population in less than twenty years, Rio Rancho has become New Mexico's third largest community and the fastest growing with an overall growth rate of 69 percent during the last ten years.

TOTAL POPULATION				
New Mexico Metropolitan Statistical Areas, 2000 to 2010				
Area	Census 2010 Population	Census 2000 Population	Population Change 2000-2010	Percentage Change 2000-2010
New Mexico	2,059,179	1,819,046	240,133	13.2%
Metro Portion ^{1/}	1,370,531	1,147,424	223,107	19.4%
Albuquerque MSA ^{2/}	887,077	729,649	157,428	21.6%
Farmington MSA ^{3/}	130,044	113,801	16,243	14.3%
Las Cruces MSA ^{4/}	209,233	174,682	34,551	19.8%
Santa Fe MSA ^{5/}	144,177	129,292	14,885	11.5%
Nonmetro Portion ^{1/}	688,648	671,622	17,026	2.5%

1/ Metropolitan and nonmetropolitan portions are based on current metropolitan statistical area (MSA) definitions.

2/ Bernalillo, Sandoval, Torrance and Valencia counties. 3/ San Juan County. 4/ Dona Ana County

5/ Santa Fe County.

Source: U.S. Census Bureau, Population Division. Released March 2011.

Table prepared by: The City of Rio Rancho Financial Services Department

Currently, the City is estimated to grow at the rate of about 7.0 percent per year. Rio Rancho's population growth is expected to continue well into the 21st century. This growth should be considered in the context of the growth of the metropolitan area, which is expected to exceed 1.5 million people by 2050.

Gender and Age Distribution

The character and composition of the residents have changed dramatically over the course of the last two decades. Beginning as a retirement community, a large number of seniors dominated the demographic composition. However, as the City has evolved into an affordable housing community with an expanding economic base, a large number of young families are calling Rio Rancho home. Whereas 17.5 percent of the Rio Rancho population was over retirement age in 1980, by 1990 this percentage had dropped to 10.9 percent. By 1990 there were three times more residents under the age of 17 than residents over the age of 65.

Over 50 percent of the City's population is between the ages of 20 and 54 years old, which is younger than the national average, and over 30 percent of the population are school age or younger.

All states and the District of Columbia are projected to show a decline in the proportion of youth (under 20 years old) in their populations. As the Baby Boom generation (those born between 1946 and 1964) reach retirement age, the growth of the elderly population (65 and over) is expected to accelerate rapidly. The size of the elderly population is projected to increase in all states and the District of Columbia over the 30 year period. The proportion of New Mexico's population classified as elderly is expected to increase from 10.9 percent in 1995 to 16.9 percent in 2025.

The following table sets forth a comparative age distribution profile for Rio Rancho, the State of New Mexico and the United States.

GENDER AND AGE DISTRIBUTION								
Characteristic	Rio Rancho		Sandoval		New Mexico		United States	
	2000	2010	2000	2010	2000	2010	2000	2010
Male	48.5%	47.8%	48.8%	48.3%	49.2%	49.4%	49.1%	49.2%
Female	51.5%	52.2%	51.2%	51.7%	50.8%	50.6%	50.9%	50.8%
Median Age	35.1	36.3	35.1	37.5	34.6	36.7	35.3	37.2
Under 9 years	15.7%	16.5%	15.8%	15.2%	15.0%	13.9%	14.1%	13.1%
10 to 19 years	15.9%	15.1%	16.3%	14.6%	16.1%	14.3%	14.5%	13.8%
20 to 34 years	18.3%	16.4%	17.7%	16.7%	19.6%	19.7%	20.9%	20.2%
35 to 54 years	31.5%	29.9%	31.5%	28.6%	29.0%	26.3%	29.4%	27.8%
55 to 64 years	7.0%	10.7%	8.1%	13.0%	8.7%	12.5%	8.6%	11.9%
65 to 84 years	10.3%	9.8%	9.5%	10.5%	10.4%	11.8%	10.9%	11.3%
85 years and over	1.5%	1.6%	1.1%	1.5%	1.3%	1.5%	1.5%	1.8%

Source: U.S. Census Bureau, 2000 and 2010 American Community Survey

Table prepared by: The City of Rio Rancho Financial Services Department

Race and Ethnicity

At the national level, 75 percent of the American population is classified as non-Hispanic white, while Hispanic or Latino persons constitute 15.4 percent of the population, African Americans 12.4 percent, Native American less than 1 percent, and Asian Americans 4.4 percent. However, New Mexico, along with Hawaii and California, does not have an ethnic or racial majority. More than half of the population is composed of non-Hispanic whites, two out of every five residents are Hispanic, nearly one out of every ten is native American, while African Americans constitute 2.3 percent of the state population. By comparison, Rio Rancho's population is 77.8 percent non-Hispanic white, while Hispanics constitute over 33.6 percent of the City, with small percentages of Native Americans, African Americans, and Asian Americans.

RACE AND ETHNICITY BY PERCENTAGE OF POPULATION								
Characteristic	Rio Rancho		Sandoval		New Mexico		United States	
	2000	2010	2000	2010	2000	2010	2000	2010
One Race	95.9%	96.9%	96.5%	97.3%	96.4%	97.1%	97.6%	97.3%
White	78.4%	82.7%	65.1%	74.0%	66.8%	73.4%	75.1%	74.2%
Black or African American	2.7%	3.5%	1.7%	2.4%	1.9%	2.0%	12.3%	12.6%
American and Alaska Native	2.4%	3.7%	16.3%	13.6%	9.5%	9.4%	0.9%	0.8%
Asian	1.5%	1.5%	1.0%	1.3%	1.1%	1.2%	3.6%	4.8%
Native Pacific Islands	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
Some Other Race	10.9%	5.3%	12.4%	5.9%	17.0%	11.1%	5.5%	4.8%
Two or More Races	4.1%	3.1%	3.5%	2.7%	3.6%	2.9%	2.4%	2.7%
Hispanic or Latino (of Any Race)	27.7%	36.4%	29.4%	35.3%	42.1%	46.4%	12.5%	16.4%

Source: U.S. Census Bureau, 2000 and 2010 American Community Survey

Table prepared by: The City of Rio Rancho Financial Services Department

Social Characteristics

The following table sets forth a comparative education profile and other social characteristics for Rio Rancho, the State of New Mexico and the United States.

SOCIAL CHARACTERISTICS								
Characteristic	Rio Rancho		Sandoval		New Mexico		United States	
	2000	2010	2000	2010	2000	2010	2000	2010
Education Attainment								
High School Graduate	57.4%	56.7%	53.6%	54.4%	49.5%	51.3%	49.6%	49.8%
Associate's or Bachelor's Degree	25.8%	28.8%	23.2%	25.5%	19.5%	21.2%	21.8%	25.3%
Graduate or Professional degree	7.9%	9.7%	9.3%	11.7%	9.8%	10.8%	8.9%	10.4%
Total Households	18,995	32,234	31,411	47,217	677,971	765,183	105,480,101	114,567,419
Average Household Size	2.70	2.73	2.84	2.80	2.63	2.64	2.59	2.63
Place of Birth								
Native	49,243	82,828	86,028	124,260	1,669,440	1,860,791	250,314,017	269,393,835
Foreign Born	2,479	5,126	3,880	8,070	149,606	205,141	31,107,889	39,955,854
Percentage	4.8%	5.8%	4.3%	6.1%	8.2%	9.9%	11.1%	12.9%

Source: U.S. Census Bureau, 2000 and 2010 American Community Survey

Table prepared by: The City of Rio Rancho Financial Services Department

Housing Characteristics

The following table sets forth a comparative housing profile for Rio Rancho, Sandoval County, the State of New Mexico and the United States.

HOUSING CHARACTERISTICS								
Characteristic	Rio Rancho		Sandoval		New Mexico		United States	
	2000	2009	2000	2009	2000	2009	2000	2009
Total Housing Units	20,176	34,156	34,866	52,423	780,579	902,242	115,904,641	131,791,065
Occupied	93.9%	94.4%	90.0%	90.1%	86.8%	84.8%	91.0%	86.9%
Owner Occupied	75.2%	79.2%	69.6%	80.6%	50.1%	67.9%	52.3%	65.4%
Median Value	112,900	173,400	115,400	174,000	108,100	161,200	119,600	179,900
Housing with a Mortgage	86.0%	80.9%	73.9%	72.3%	63.6%	60.8%	70.0%	67.2%
Median Monthly Payment	955	1,333	979	1,366	929	1,202	1,088	1,496
Rent								
Median Monthly Payment	807	1,042	726	956	503	699	602	855

Source: U.S. Census Bureau, 2000 and 2010 American Community Survey

Table prepared by: The City of Rio Rancho Financial Services Department

City per Capita Comparisons

The General Fund budget contains most of the operating funds for City government and the size of the General Fund in relation to the city can provide a *general* indication of the level of services that a City can provide. Compared to other New Mexico cities, the City of Rio Rancho has a relatively small General Fund budget. Historically, the small per capita expenditure is primarily due to the Rio Rancho's relatively limited retail tax base which did not generate large amounts of gross receipts tax (GRT) revenues due to the proximity of Albuquerque, which is the regional retail center. Studies over the last several years suggested that Rio Rancho was losing as much as 40 percent of its GRT to Albuquerque. Various initiatives and policies have been undertaken to address this issue.

EXPENDITURES PER CAPITA Top Four Populated New Mexico Cities FY12 Adopted Budgets				
City	Estimated Population	Total Revenues *	Total Expenditures *	Per Capita Expenditures
Albuquerque	552,804	\$878,063	\$878,063	\$1,588
Las Cruces	99,665	334,518	379,528	\$3,808
Rio Rancho	89,320	102,152	107,648	\$1,205
Santa Fe	68,642	263,336	291,031	\$4,240
Farmington	45,256	233,568	260,771	\$5,762

*(000's)

Source: U.S. Census Bureau, Population Division. Estimated population as July 1, 2011

Cities' FY 12 Adopted Budgets

Table prepared by: The City of Rio Rancho Financial Services Department

The following table shows Gross Receipt Taxes per capita.

GRT PER CAPITA Top Four Populated New Mexico Cities FY 12 Adopted Budgets				
City	Estimated Population	All Funds GRT *	All Funds Total Revenue *	GRT Per Capita
Albuquerque	552,804	\$ 294,717	\$ 878,063	\$ 533
Las Cruces	99,665	80,667	334,518	809
Rio Rancho	89,320	32,654	102,152	366
Santa Fe	68,642	91,352	263,336	1,331
Farmington	45,256	47,600	233,568	1,052

*(000's)

Source: U.S. Census Bureau, Population Division. Estimated population as July 1, 2011

Table prepared by: The City of Rio Rancho Financial Services Department

City Employees per 1,000 of Population

Another method to compare capacity to provide services is the number of employees per population. The City of Rio Rancho has had to limit the number of employees due to the limited tax base.

NUMBER OF EMPLOYEES PER 1,000 POPULATION Top Five Populated New Mexico Cities FY 12 Adopted Budgets			
City	Estimated Population	FTE	FTE per 1,000
Albuquerque	552,804	5,822.0	10.53
Las Cruces	99,665	1,323.0	13.27
Rio Rancho	89,320	680.9	7.62
Santa Fe	68,642	1,591.0	23.18
Farmington	45,256	769.0	16.99

Source: U.S. Census Bureau, Population Division. Estimated population as July 1, 2011

Table prepared by: The City of Rio Rancho Financial Services Department

MISCELLANEOUS INFORMATION	
<u>Function/Program</u>	2011
<u>Police</u>	
Main Stations	1
Substations	
Patrol Units	139
<u>Fire</u>	
Main Stations	5
Substations	1
Fire trucks	19
<u>EMS</u>	
Ambulances	11
<u>Animal Control</u>	
Patrol Units	7
<u>Other Public Works</u>	
Streets (miles)	448
Streetlights	2,843
Traffic signals	49
<u>Parks & Recreation</u>	
New/Renovated Park Facilities	1
Developed Parkland (acres)	287
Constructed Trailways (linear feet)	65,150
<u>Water</u>	
Water mains (miles)	563
Fire hydrants	3,870
Average daily consumption (thousands of gallons)	11,621
<u>Wastewater</u>	
Sanitary sewers (miles)	368
Treatment capacity (thousands of gallons per day)	4,324
<u>Rio Rancho School District</u>	
Newest School District in New Mexico	
# Students (2011-2012)	17,016
Comprehensive High School	2
Specialized High Schools	2
Middle Schools	4
Elementary Schools	10
Pre-School	1
District Grew 2008-2009	0.2%
Graduation Rate District Wide	74.6%

Sources: City of Rio Rancho, CAFR for the FY ended June 30, 2011

Rio Rancho Public Schools web page

CENTRAL BUSINESS DISTRICT

Preliminary site plan



The Concept

Throughout the country, successful master planned centers are being created as a new generation of retail development known as, “Lifestyle Centers” which contain a high proportion of high-end retail. The retail component is only one of several factors that make such centers successful. Following are a few of the measures taken by communities to ensure success and long-term viability of their downtowns, city centers and “lifestyle centers:”

- Highway access and visibility
- Developed under single ownership
- Public/private partnerships
- Land use variety to capture regional market – destination or anchor development
- Inclusion of civic development projects
- Pedestrian – friendly, downtown environment conducive to immediate parking accessibility to retail and providing a land use mix that allows people to eat, shop and be entertained

- Mixed use development to include lofts or apartments above shops, retail and office space.
- Outdoor seating, open space civic plazas, gazebos, and areas of shade, outdoor restaurants and entertainment areas.
- Provision of “green spaces” to include the provision of continuous street trees, parks with plazas for special events and farmer’s markets, public art and interactive water features.

Rio Rancho Central Business District

General Description

- 160 acre pedestrian-friendly city center/downtown destined to become New Mexico’s premier commercial/retail/dining and entertainment venue
- Rio Rancho’s completed a 6,500 fixed-seat event center, City Hall and associated infrastructure
- Concurrent transportation improvements to Paseo del Volcan and Unser Boulevards enhancing access to City Central Business District
- Catalyst for compatible mixed-use development in associated areas

Design Objectives

- Realize new urbanism, pedestrian-friendly City Centre/Downtown
 - Architectural design exceeding industry standards
 - Creative buildings constructed of high quality materials
- Building placement to reinforce streetscape and open spaces
- Landscaping integrated with development and streetscape
- Adequate parking

Permissive uses

Mixed-use development consisting of upscale/specialty retail, restaurant, office, residential, hotel/conference, entertainment and government operations.

- Up to 440 acre mixed-use development adjacent (north & east) to Central Business District
- Preliminary design underway
- Includes higher education component
- Final plan to conform to City Center concept and Rio Rancho’s executed economic development policy

Special Use Retail Commercial Zone

The district permits limited commercial uses such as those pertaining to the day to day needs of the residential population:

- Stores for the sale of retail goods and products
- Restaurants, bars, and lounges
- Repair shops – electrical, radio, and television
- Shops – dressmaking, tailoring, laundry, dry cleaning, photo, pet, and similar trades
- Banks, theaters, and office building
- Churches and other places of worship
- Bakeries and confectioneries
- Parks, recreational parks, open spaces, and public utilities

Higher Educational and others Alliances

- University of New Mexico West – Adjacent to Central Business District
 - On March 3, 2008 voters approved a quarter cent GRT increase to accelerate construction of UNM West
 - Full service UNM West will qualify campus as the state's 3rd largest university
 - 216 acres site obtained from State Land Office
 - Amenities: Health Sciences Center, a business research park, adjacent to City Center
 - 42,000 SF facility opened in 2010 will provide more than 2,500 students with classrooms, a student service center, library services, and onsite faculty and administrative support
 - Selected professional degrees
 - Transportation link with Main Campus
 - 10,000 students by 2020
- Central New Mexico Community College – Two-year community college offering MSA-wide programs and services
 - November 15, 2007 voters approved an CNM district expansion to include all of Rio Rancho
 - CNM is the second largest postsecondary institution in the state
 - Partnership with UNM for delivery of classes
 - 14,000 CNM graduates are working in Rio Rancho
 - 47,349 SF facility opened in 2011 provides instruction space, student services center, faculty offices and support services
 - The building features natural light in each classroom, enclosed outdoor atrium, building meets LEED silver standards, energy-efficient ground source heat pump air conditioning and heating system and water-harvesting technology
- University of New Mexico Sandoval Regional Medical Center
 - New \$150 million, 75-bed, full service Research hospital on Rio Rancho UNM campus
 - Hospital opened in July 2012
 - 1,632 new jobs generated over next 10 years
 - Estimated \$158 million injected into local economy through service-related spending
- Hewlett-Packard Company
 - Total 218,000 SF
 - 1,350 to 1,800 jobs
 - Opened in 2009

Events Center

The Rio Rancho Events Center is a major component of the City of Rio Rancho's new master planned downtown encompassing 160 acres. The facility features 26 luxury suites, 500 club seats, VIP lounge, club lounge and 4 club suites. 6,500 fixed seats. It was opened in October 2006.

This facility is truly “Multi-Purpose”, capable of hosting a variety of events ranging from trade shows, conventions, graduations, performing arts, concerts, sporting events, youth sports, thrill shows and family events. The project provides a significant number of economic advantages to Rio Rancho and the surrounding area.

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